[Shri Madhavrao Scindia]

ed to co tain such accidents and the sternest action will be taken against those found responsible.

Sir, April 10, 1853 is one of the most significant days in the recorded history of India. It was on this day that the first railway train ran from Bombay to Thane, a distance of 20 miles, heralding the arrival of a catalyst that has brought about momentous changes in every sphere of national life—economic, political, social and cultural. The coming of railways helped in the removal of centuries-old shackles, which were hindering the country's progress towards modernity. It ended the stationary state of India. It set in motion profound socio-economic changes that not merely helped in the development of the country's resources, but in stimulating the vitality of Indian society from its very foundations.

Railways undoubtedly helped in making India a nation. They encompassed in their network the Panjabi and the Tamilian, the Bengali and the Saurashtrian, the Hindu and the Muslim, the Sikh and the Christian. They laid the basic network for the creation of an Indian outlook and paved the way for the formation of a united India. They helped give material shape to an idea prevalent in its abstract from from the days of Ashoka and Chhatrapati Shivaji.

Today, we are the inheritors of a glorious legacy. We are living in the midst of some of the most exciting and significant times in the country's ago-old history. Under the leadership of our Prime Minister, Shri Rajiv Gandhi the nation is engaged in the gigantic task of building a society wherein the words of Mahatma Gandhi, "we can wipe every tear from every eye", a society in which every citizen, particularly the Harijan, the Adivasi and the Sarvahara will have at least two square meals a day, clothes to wear and roof over his head; a society where caste, religion or language will not divide but unite people. Their is determination to build an India that is strong, united and selfreliant; a culturally enlightened India that is second to none in industrial development, scientific research and technological innovation; the ideal example of an ideal synthetic between the old and the new. Every undertaking—public and private has been called upon to take part in this noble task. This spine-tingling challenge involving 700 million people, overshadows all sentiments of ego and identity. We are engaged in building this new India, brick by brick, line upon line, and in the Railways we rejoice in being a participant in this grand enterprise and rededicate ourselves to the fulfilment of these great ideals.

Thank you.

SHRI R. MOHANARANGAM: Sir, he has not mentioned anything about the allocation for rapid transit system for Madras. (*Interruptions*).

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2.30 p.m.

The House then adjourned for lunch at fifty minutes past one of the clock.

The House reassembled after lunch at thirty-two minutes past two of the clock, Mr. Deputy Chairman in the Chair.

STATEMENT BY MINISTER

Re. concessions to pensioners who were in permanent pensionable service on 30th September, 1938.

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI P. CHIDAMBARAM): Mr. Deputy Chairman, Sir, on the introduction of the Liberalised Pension Rules, 1950, the Government servants, who were in permanent pensionable service on September 30, 1938, were allowed the following options:

(a) coming on the new pension scheme i.e., to receive pension at 30/80 of emoluments plus death-cum-retirement gratuity; or

(b) continuing under the rules in force on the 16th April, 1950 i.e. to receive pension at 30/80 of the emoluments; or

(c) drawing pension under the rules in force on the 16th April, 1950 reduced by the pension equivalent of the gratuity admissible under the new scheme and receiving in lieu of this reduction the death-cum-retirement gratuity as provided under this scheme.

In brief, the employees who chose (c) above, received the pension &30/60 (i.e. 50 per cent of the emoluments) subject to having rendered the requisite qualifying service plus the death-cum-retirement gratuity, which was introduced for the first time under the Liberalised Pension Rules, 1950 with effect from 17 April, 1950. They were however to receive pension reduced by the pensionary equivalent of the gratuity. This was a life-time commitment.

On the introduction of slab formula for computation of pension with effect from 1st April, 1979, the pension admissible to the employees has been increased for the first slab of Rs. 1000/- to 50 per cent, for the next slab of Rs. 500 to 45 per cent and to 40 per cent thereafter of the emoluments in addition to the facility of death-cum-retirement gratuity. The pre-1938 entrants who were low paid and are now very old—have been representing for discontinuance of the reduction in their pension by pensionary equivalent of the gratuity.

The Government have considered the matter sympathetically. I am glad to inform the House that the Government have now decided that the reduction of pension by the pensionary equivalent of the gratuity in such cases may be discontinued from the month of March, 1986 payable in April 1986 purely as an ex-gratia measure to provide them much needed relief. These pensioners would hereafter be entitled to full pension.

The affected pensioners will also be entitled to receive dearness relief on the full pension as admissible under the rules.

The Government have further decided that the ast cases otherwise settled shall not be reopened. Recovery of pensionary equivalent of Gratuity where such a payment had been made consequent to revision of pension w.e.f. 1-4-1979, shall also be stopped, from the month of March 1986 payable in April, 1986.

SHRI NIRMAL CHATTERJEE (West Bengal): Sir, it is obvious that the modifications are introduced in order to take care of the fact that the rupee is increasingly becoming worthless. In view of the fact that it will continue to be so, instead of making an ad-hoc arrangement, is it not possible to see that even the post-1938 pensioners,-whose pensions will also be eroded, in subsequent years,-are also compensated in future? Instead of making an ad-hoc arrangement, would he or can he promise before the House that a principle woud be developed so that in all such cases where the pensioners, after giving a lifetime of service, suffer on account of the growing worthlessness of the rupee, they will be benefited? The second thing which I would like to know is,—this is really an interesting aspect—how many pensioners are there who have retired before 1938? This is a curiosity on which I would like to be satisfied.

SHRI CHITTA BASU (West Bengal): Mr. Deputy Chairman, Sir, the modification is welcome. There is no doubt about it. But I would like to seek a clarification of a general nature and also of a fundamental nature. As you know, the Supreme Court, in a judgement, emphasised that pension is the Constitutional right of he employees and they also said that the quantum so fixed should be commensurate with what was required to maintain the standard of life of the employee while in service. If this is the principle laid

[Shri Chitta Basu]

down by the Supreme Court, what particular steps Government have taken in the matter of ensuring that the quantum fixed is commensurate with the requirement to maintain the same lifestyle which they were having while in service? In view of the fact that there has been constant erosion in the purchasing power of the rupee, whether the pensioners will also be entitled to automatic linkage with the cost of living index in future?

SHRI P. N. SUKUL (Uttar Pradesh): Mr. Deputy Chairman, Sir, it is indeed a very good step which the Government are taking to discontinue from the month of March, 1986, the reduction in pension which they were making. In paragraph 3, it has been mentioned that the Goverment have now decided that the reduction in pension by the pensionary equivalent of gratuity in such cases. This is rather vague. There is some confusion here. May be, it pertains to the pre-1938 people because you were talking aout them only in the immediate preceding paragraph This should be clarified. Sir, here, I would like to make another suggestion. I am also a pensioner and, therefore I know my plight that way.

SHRI NIRMAL CHATTERJEE: Not pre-1938.

SHRI P. N. SUKUL: No. Sir, what happens is, whenever a person retires, he gets his pension commuted. Whether it was pre-1938 or later invariably people tried to get it commuted. The commutation value is generally for a period of 10 years. The pension that would have been paid to the retiring employee for 10 years was calculated by way of commutation according to his age and health and all that. Now, Sir, my point is, after 10 years what should be done because you have paid him for 10 years only and if he lives beyond 10 years, I suggest, that the old pension should be restored to him. You cannot pay for 10 years and just have it for 20 or 50 years. So, if you pay for 10 years maximum the commuted amount and if the man, God willing, is surviving, naturally with rising prices, etc. his financial responsibilities would have increased and so the old pension should be restored to that pensioner. This is my suggestion to the Government.

PROF. C. LAKSHMANNA (Andhra Pradesh): Mr. Deputy Chairman, Sir, we are very happy that the Minister has come forward with an amendment for the benefit of those who retired before 30th September, 1938. But then I expected, taking advantage of the representation of those who retired before September 1938, he would have looked into the whole problem of pension and gratuity and come forward with a new scheme. After all, the last one which was implemented has been old enough. There has been escalation in price and also the D.A. that is being paid to the pensioners has been so low that it is not enough to live with the increase in prices etc. In the light of this I would like to know whether he would consider the possibility of looking at the D.A. component of the pension and increase it in view of the increased price structure that is taking place every day.

SHRI P. CHIDAMBARAM: Sir, I am grateful to the hon. Members for touching upon a number of issues. Firstly, I do not want to claim that this is a very major step. This deals with a class of people who entered Government service prior to 1938 and who are very old and to whom this deduction of pensionary equivalent of gratuity has not only been an irritant but causing considerable hardship. So, we thought we should deal with this issue separately and give them relief. I do not know how many of such pensioners are alive today. They will all be over 70 years but I wish them long life. Those who are alive today and past 70 years, we

thought we should give them immediate relief and, therefore, we have taken this decision.

The larger question of pension is engaging the attention of the Government. As you know, in the history of this country after we became independent, for the first time, this Government has referred the question of pension structure to the Pay Commission. We expect the Commission will submit its report on the pension structure, what would be a reasonable pension structure, and which will say how the erosion of value of money should be taken care of in the case of pensioners, etc. All these questions will be discussed and the Pay Commission's report will be available to the Government soon and then we will be able to take a decision.

Hon. Mr. Sukul asked, what 'in such cases' refer to. It refers to clause (c) of paragraph 1, people who entered Government service prior to 1938 but who opted for the option which is spelt out in paragraph (c). It is they who suffer a reduction by the pensionary equivalent of the gratuity and to them we are extending his benefit.

As far as neutralising the value of pension by the increase in cost of living is concerned, there is an element of neutralisation even now. We pay dearness relief, but that I realise, many people have felt it is inadequate. It is inadequate, I realise it is inadequate, and that is why the whole question is now pending before the Pay Commission. If you had raised this question last year, maybe we would have responded by saying that we would look into it independently. But now on the eve of the report of the Pay Commission, the hon. Members will kindly appreciate that it is not possible for the Government to take an independent decision. Having already waited for so long, we will have to wait for a few months more for the report of the Pay Commission.

SHRI PARVATHANENI UPENDRA (Andhra Pradesh): Give some interim relief in the meanwhile.

SHRI P. CHIDAMBARAM: And the last question is what about the other pensioners who have commuted their pension and who suffer this commuted value being deducted every month beyond the period of ten years, as Mr. Sukul said? I thought Mr. Sukul would have seen the implications of the statement. We have done it in one class of cases. For the others, we wish to evolve an equitable formula but what is now standing in the way is that the matter is pending in the Supreme Court. The case has been heard. Supreme Court has made some suggestions. We have given an equitable formula. We have taken time to reconsider the equitable formula to see if we cannot improve upon the equitable formula. We have to take a decision in the Government and report to the Supreme Court and only then we can make an announcement. But I do hope and I can assure Mr. Sukul and other hon. Members that we are concerned with the question of how we can deal with those cases where after commutation, we continue to deduct the commuted value of pension for the whole life of the pensioner. We are considering that question, Sir, and the House will bear with me if I say I am not in a position to make any announcement now.

SHRI PARVATHANENI UPENDRA: You can say that you sympathise

SHRI P. CHIDAMBARAM: I suppose, Sir, these answers would clarify the questions raised by the hon. Members.

MR. DEPUTY CHAIRMAN: We shall now take up the Statutory Resolution seeking disapproval of the Contract Labour (Regulation and Abolition) Amendment Ordinance and the Contract Labour (Regulation and Abolition) Amendment Bill, 1986, together.